

**STATUTES OF THE
AMERICAN CHAMBER OF COMMERCE
IN BULGARIA**

*Signed on September 17, 1995 by the founders of
the AMERICAN CHAMBER OF COMMERCE IN BULGARIA and amended on
December 11, 1997, November 28, 2001, January 27, 2004, June
16, 2005 January 24, 2006, January 30, 2007, June 24, 2008,
June 23, 2010 and December 8, 2014, November 14, 2017,
December 11, 2019 and July 9, 2020 by a resolution of the
General Assembly of the members*

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ARTICLE I
STATUS OF THE AMERICAN CHAMBER OF COMMERCE
IN THE REPUBLIC OF BULGARIA

(Amended on November 28, 2001) The American Chamber of Commerce in the Republic of Bulgaria (the "**Chamber**") is a non-profit association duly established and validly existing under the Laws of the Republic of Bulgaria.

ARTICLE II
DURATION OF THE CHAMBER

The **Chamber** is founded for an indefinite period.

ARTICLE III
NAME, HEADQUARTERS, ADDRESS, SPHERE OF ACTIVITIES AND
DESIGNATION OF ACTIVITIES
(Title amended on November 28, 2001)

A. NAME

The name of the organization is the "American Chamber of Commerce in Bulgaria".

B. HEADQUARTERS AND ADDRESS

(Amended on December 11, 1997 and on January 27, 2004) The **Chamber** has its headquarters in Sofia, Stolichna municipality, region Mladost. Its address is Business Park Sofia, Building 2, floor 6, Stolichna municipality, region Mladost.

C. SPHERE OF ACTIVITIES

The activities of the **Chamber** will be conducted in the entire territory of the Republic of Bulgaria ("**Bulgaria**"). The **Chamber** is independent and non-political.

D. *(New, adopted on November 28, 2001)* DESIGNATION OF ACTIVITIES

The **Chamber** shall perform its activities for private benefit.

ARTICLE IV
PURPOSES AND MEANS

A. THE PURPOSES OF THE CHAMBER ARE:

- (1) To promote economic relations between **Bulgaria** and the United States of America ("**USA**") with regard to trade, industry, agriculture, finance, transportation, technology, professional activities and other related activities;
- (2) To strive for constructive solutions to Bulgarian - American business relations;
- (3) To protect and promote the common commercial interests of its Members;
- (4) To support the establishment and enforcement of ethical standards or code of ethics for the conduct of business;
- (5) To voice the opinions of the Members of the **Chamber** on all types of economic, trade, commerce, finance, industry, and other related issues;
- (6) To collect and disseminate information concerning trade, industry, agriculture, finance, transportation, technology, professional activities, taxation, related laws, and other related topics;
- (7) To assist Members engaged in or considering trade with enterprises in **Bulgaria** to attain legitimate objectives; and
- (8) To maintain good relationships with the US Chamber of Commerce and other Chambers of Commerce or commercial organizations of the **USA** located in the **USA** or elsewhere.

B. MEANS TO ATTAIN THE PURPOSES OF THE CHAMBER

- (1) To fulfill its purposes, the **Chamber** shall maintain regular contact with its Members, as well as interaction with the business community, agencies and authorities in **Bulgaria** and in the **USA**.
- (2) The principle means the **Chamber** shall employ to fulfill its purpose are:
 - (a) Collect and provide contact information regarding Bulgarian and American enterprises and individuals;
 - (b) Obtain and provide information regarding commercial relations between **Bulgaria** and the **USA**;

- (c) Make available relevant commercial information on trade and economic issues in **Bulgaria** and in the **USA**;
 - (d) Develop events and programs of commercial interest;
 - (e) Interact with the appropriate Bulgarian and **USA** governmental bodies as well as appropriate international organizations related to trade and investment;
 - (f) Undertake all other lawful actions incidental or conducive to the attainment of these objectives.
- (3) *(New, adopted on November 28, 2001)* The activities referred to in Article IV, Section B, Paragraph (2) may be performed also on a commercial basis.

ARTICLE V
PROPERTY OF THE CHAMBER

- (1) The financial means required for the operation of the **Chamber** shall be obtained from:
- (a) Membership fees;
 - (b) Proceeds from any **Chamber** publications;
 - (c) *(Supplemented on November 28, 2001)* Donations and wills; and
 - (d) Fees for activities to achieve the non-profit purposes of the **Chamber**.
- (2) The cost of Membership and other fees are to be recommended by a Standing Committee and approved by the Board of Directors. Membership fees shall not be refunded under any circumstances.

ARTICLE VI
LIABILITY

Liability for the **Chamber's** obligations is limited to the **Chamber's** assets. Members or Officers of the **Chamber** shall not be liable for any of the **Chamber's** obligations.

ARTICLE VII
MEMBERSHIP

A. MEMBERSHIP IN GENERAL

- (1) *(Amended on December 11, 1997, November 28, 2001, November 14, 2017 and December 11, 2019)* Membership includes both legal entities (including, but not limited to: (i) foreign legal entities; (ii) foreign legal entities having established in Bulgaria a branch within the meaning of Art. 17a of the Law on Commerce in Bulgaria (in which case Membership rights and duties may also be exercised directly by the branch established in Bulgaria); (iii) foreign legal entities having established in Bulgaria a trade representative office within the meaning of Art. 24 of the Investment Promotion Act (in which case Membership rights and duties may also be exercised directly by the trade representative office established in Bulgaria) and (iv) other legal entities), and legally responsible individuals. To be admitted to the **Chamber** and maintain Membership therein, all Members must be in good standing in the community, demonstrate an interest in attaining the purposes of the **Chamber** and be acceptable to the **Chamber**.
- (2) *(New, adopted on July 9, 2020)* Notwithstanding the above, Membership does not include companies or other legal entities controlled by the state (including when the state acts through a relevant representative and/or department). For the purposes of this provision "control" shall exist where the state (including when the state acts through a relevant representative and/or department) (controlling person), directly or indirectly: (i) holds more than 50 percent of the votes in the general assembly of a legal entity, or (ii) has the right to determine more than half of the members of the management or supervisory body of a legal entity and simultaneously is a shareholder or a member in such legal entity, or (iii) is a shareholder or a member in a legal entity and solely controls more than half of the votes in the general assembly of this legal entity on the base of a contract executed with other shareholders or members.
- (3) *(Amended on July 9, 2020)* Members of the **Chamber** are all Forming Members and those legally responsible persons who are accepted as Members by the **Chamber**, subject to the limitations specified under para. (2) above.

B. ACQUISITION OF MEMBERSHIP

(Amended on December 11, 2001) Membership in the **Chamber** is acquired by submission of an appropriate application for admittance and acceptance thereof by a **Standing Committee** with approval by the **Board of Directors**. The application can be rejected or Membership denied without stating any reasons.

ARTICLE VIII
RIGHTS AND DUTIES OF THE MEMBERS

A. VOTING RIGHTS

- (1) Members of the **Chamber** are entitled to vote and authorized to take part in the **General Assembly** of the **Chamber**. Each Member shall have equal voting privileges defined as one vote per Member.
- (2) (Amended on November 28, 2001, November 14, 2017 and December 11, 2019) When exercising their voting rights in the **General Assembly** of the **Chamber**, physical persons-Members, act personally, and legal entities-Members, shall be represented by their legal representative or, respectively, by the representative of branches, trade representative offices, etc. of foreign legal entities in Bulgaria (as the case may be), (hereinafter together referred to as "**Legal Representative**"). The physical person personally (in case of a Member - physical person) or a Legal Representative (in case of a Member - legal entity) can vote for certain resolutions of the General Assembly.
- (3) (Amended on November 14, 2017) A physical person - Member of the **Chamber**, or, respectively, a legal entity - Member of the **Chamber**, acting through its Legal Representative, is entitled to authorize by virtue of a written power of attorney another person to exercise the voting right of the authorizing member in a specific **General Assembly** of the **Chamber**. One person can represent not more than 1 (one) Member at the **General Assembly** via a power of attorney. No re-authorization is allowed.
- (4) (New - November 14, 2017) For the avoidance of doubt, if according to its effective registration in a relevant register a legal entity - Member of the Chamber has two or more legal representatives acting only jointly, the authorization of one of these legal representatives to represent independently and exercise the voting right of the legal entity - Member of the Chamber at the relevant General Meeting does not fall within the restrictions under Paragraphs (2) and (3) of this Article.

B. ELIGIBILITY FOR OFFICE

(Amended on *July 9, 2020*) Members of the **Chamber** are entitled to run for Membership on the Board of Directors and for Officer positions, subject to the specifics set forth below.

C. BENEFITS OF MEMBERSHIP

Members will have the right to receive assistance and support related to the purposes of the **Chamber**.

D. DUTY TO UPHOLD THE INTERESTS OF THE CHAMBER

All Members shall protect the interests and reputation of the **Chamber** and abide by the Statutes.

E. DUTY TO PAY FEES

(1) All Members shall pay the annual Membership fee and any other fees, permitted by law, for which they are responsible.

(2) (New, adopted on *July 9, 2020*) Members which have not paid Membership fee due for a respective period shall not be entitled to be nominated as Board Members, to vote for Board Members, as well as to vote at General Meetings until their outstanding Membership fee is fully paid.

ARTICLE IX
TERMINATION OF MEMBERSHIP

(1) (Amended on *November 28, 2001*) Membership of a physical person terminates upon death or incapacitation. Membership of a juristic person terminates upon its dissolution. Membership of either physical or juristic persons may be terminated through voluntary resignation, expulsion or on other grounds provided for by law.

(2) Resignation becomes effective immediately upon receipt by the **Chamber** of appropriate notice from the resigning Member. Membership fees shall not be refunded to the resigning Member. The resigning Member shall remain responsible for any outstanding obligations to the **Chamber**.

(3) The Board of Directors may expel a Member if it is in arrears of payment of Membership or other fees for more than three months despite two reminders. The liability for unpaid fees is not affected by the expulsion. Expulsion of a Member for failure to pay required fees becomes effective upon posting of a written notice to all Members in the **Chamber's** premises. Expulsion under

these circumstances need not follow the procedures described in Section (4) below.

- (4) *(Amended on November 14, 2017 and July 9, 2020)* The **Chamber** may expel a Member for neglecting Membership duties, or failure to comply with the **Chamber's** code of ethics or because the Member's continued Membership is considered detrimental to the **Chamber**. Members are expelled by virtue of a resolution of the Board of Directors adopted with a majority of 2/3 of all members.

ARTICLE X
ORGANS OF THE CHAMBER

A. ORGANS OF THE CHAMBER

(Amended on December 11, 2019 and July 9, 2020) The **Chamber** has the following organs:

- (1) The General Assembly;
- (2) The Board of Directors;
- (3) Standing Committees;
- (4) Special Committees;
- (5) Nomination Committee;
- (6) President;
- (7) *(Amended on January 24, 2006)* First Vice President and Second Vice President;
- (8) Treasurer;
- (9) Committee Chairpersons; and
- (10) Chief Executive Officer.

B. GENERAL ASSEMBLY

- (1) *(Amended on December 8, 2014)* The **General Assembly** shall meet at least once per year.
- (2) *(Amended on November 28, 2001)* A General Assembly may be held at any time upon call by the Board of Directors. Such meeting must be called whenever requested in writing for a specific purpose by at least one third of the Members.

The Board of Directors must act upon such a request within fourteen days.

- (3) *(Supplemented on November 28, 2001, Amended on December 11, 2019)* Invitations to the General Assembly are issued by the President, or in case of the President's absence, by a Vice President or the Chief Executive Officer and must be published with the register of non-profit legal entities kept by the Registry Agency, and shall be posted on the board designated for this purpose at the address of the Chamber at least one month prior to the date of the respective session of the General Assembly. Upon the discretion of the Chamber the invitations can be further mailed by registered mail, by e-mail or distributed otherwise to each Member. Location, time and agenda of the General Assembly shall be indicated in the invitation. The General Assembly shall be chaired by the President, or in case of the President's absence, by a Vice President.
- (4) *(Amended on November 28, 2001)* Any duly called **General Assembly** is competent to transact business. Only issues listed in the agenda may be decided.
- (5) The responsibilities of the General Assembly include:
 - (a) Election of the **Board of Directors**;
 - (b) Approval of the report of the **Board of Directors**;
 - (c) Examination and approval of the Auditor's annual financial report;
 - (d) Discharge of Members of the Board of Directors;
 - (e) *(Repealed on November 14, 2017)*;
 - (f) Decisions concerning changes to the Statutes;
 - (g) *(Supplemented on November 28, 2001)* Decisions concerning the reorganization or dissolution of the **Chamber**;
 - (h) Approval of the Board of Directors recommended choice for Auditor;
 - (i) *(Amended on November 28, 2001)* Adoption of **Chamber's** budget; and
 - (j) *(New, adopted on November 28, 2001)* revocation of other **Chamber's** organs resolutions when such resolutions contravene Bulgarian law, these Statutes or other

internal acts of the **Chamber** regulating its activities.

- (6) *(Amended on November 28, 2001)* Unless otherwise provided in the Statutes, when a quorum, defined as more than 50% of the Members, is achieved, resolutions are accepted by a simple majority of votes at the meeting. The resolutions under Article X, Section (B), Paragraph (5), Subparagraphs (f) and (g) shall be taken with 2/3 (two-third) majority of the present members.
- (7) *(Amended on November 28, 2001)* In the event a quorum is not achieved at the announced **General Assembly**, the meeting shall be adjourned for one hour on the same place. If after one hour, the members present include a majority of the Members of the Board of Directors and the same agenda is maintained, then the meeting is deemed lawful. Otherwise, the meeting shall be adjourned to a date not later than ten days from the date of the adjourned meeting. Such date shall be determined by the President, or in case of the President's absence, by the Vice President. All Members shall be notified immediately of the new General Assembly.
- (8) *(Amended on November 28, 2001 and on November 14, 2017)* The new General Assembly shall be capable of accepting resolutions by a simple majority of votes of Members present, regardless of whether a quorum is achieved.

C. BOARD OF DIRECTORS

- (1) *(Amended on November 28, 2001, January 24, 2006, November 14, 2017 and July 9, 2020)* The Board of Directors shall comprise of 8 (eight) to 12 (twelve) members, elected by the **General Assembly**. As a rule, the maximum number of members shall be elected, except where there are no sufficient candidates to fill the positions of representatives of USA-controlled companies and institutions under Sentence 4 of this Paragraph (1), or the total number of 12 (twelve) positions. Members of the Board of Directors shall be (i) physical persons - Members of the **Chamber** or (ii) Legal Representatives of Members as defined in Article VII Section A of these Statutes, or individuals, expressly authorized by such Legal Representatives via a written power of attorney. Notwithstanding the foregoing, the following categories of people cannot be elected as Members of the Board of Directors: (a) persons who at the respective moment occupy the position of legal representatives or members of management bodies of other non-profit legal entities, if - according to the

Nominations Committee's opinion and discretion - such circumstance puts the relevant person in a position of Conflict of Interests, or (b) persons who at the respective moment are or in the past have been politically exposed persons in the Republic of Bulgaria, in another EU Member State, in a third country, or in an international organization, including close relatives of the persons under item (a) and (b). The Legal Representatives of Members - legal entities, or the individuals authorized by them, elected in the Board of Directors perform their functions in their own name and not as Representatives of their legal entities. At any time not less than half plus one member of the Board of Directors shall be USA persons or representatives of companies and institutions controlled by USA persons. For the purposes of these Statutes:

- (a) "USA person" shall mean, in the case of a physical person, any person who at a particular time is a national of the United States of America or, in the case of a legal entity or organization, any person incorporated and registered (if applicable) in accordance with the laws of the United States of America or a separate state; and
- (b) "control" shall exist where a physical person or a legal entity (controlling person), directly or indirectly: (i) holds more than 50 percent of the votes in the general meeting of a legal entity - Member of the **Chamber**, or (ii) has the right to determine more than half of the members of the management or supervisory body of a legal entity - Member of the **Chamber** and simultaneously is a shareholder in such legal entity, or (iii) is a shareholder in a legal entity - Member of the Chamber and solely controls more than half of the votes in the general assembly of this legal entity on the base of a contract executed with other shareholders.
- (c) "Conflict of Interests" shall be deemed to arise in any case where a relevant person has a private interest (his/her own or that of a third party) which may influence the impartial and objective performance of such person's powers or obligations as a member of the Board of Directors.
- (d) "politically exposed persons" shall mean a natural person who is or who has been entrusted with prominent public functions and includes the following:
 - (i) heads of state, heads of government, ministers and deputy or assistant ministers;
 - (ii) members of parliament or of similar legislative bodies;
 - (iii) members of constitutional courts, of supreme courts, or of other high-level judicial bodies, the

- decisions of which are not subject to further appeal, except in exceptional circumstances;
- (iv) members of courts of auditors;
 - (v) members of management bodies of central banks
 - (vi) ambassadors and chargés d'affaires;
 - (vii) high-ranking officers in the armed forces;
 - (viii) members of the administrative, management or supervisory bodies of state-owned enterprises and companies fully owned by the state;
 - (ix) mayors and deputy-mayors of municipalities, mayors and deputy-mayors of regions, and chairpersons of municipal councils;
 - (x) members of the governing bodies of political parties;
 - (xi) directors, deputy directors and members of the board or equivalent function of an international organization;
 - (xii) positions in institutions and bodies of the European Union and international organizations similar to those listed under items (i) through (xi) above.

No public function referred to above shall be understood as covering middle-ranking or more junior officials.

- (e) "close relatives" shall mean:
- (i) the spouse, or a person considered to be equivalent to a spouse;
 - (ii) children and their spouses, or persons considered to be equivalent to a spouse;
 - (iii) parents and their spouses, or persons considered to be equivalent to a spouse;
 - (iv) collateral relatives of second level (brothers and sisters) and their spouses, or persons considered to be equivalent to a spouse;
 - (v) any natural person who is known to have joint beneficial ownership of legal entities or other legal arrangements with a person under para. (1), sentence (3), or who is in any other close business, professional or working relations with a person under para. (1), sentence (3);
 - (vi) any natural person who is sole owner or who has sole beneficial ownership of a legal entity or other legal arrangement which is known to have been set up for the *de facto* benefit of a person under para. (1), sentence (3).

- (1a) (New, adopted on June 23, 2010, amended on November 14, 2017) At any time no Member or group of Related Persons may have more than one Representative serving on the Board of Directors. Members shall be considered "Related Persons" where: (i) a Member directly or indirectly Controls the other

Member, or is Controlled by such other Member, or is Controlled by the same person who Controls the other Member; or (ii) a physical person - Member or a representative of a Member is a spouse, a sibling, a lineal descendant, an ancestor or a collateral descendant of a physical person - Member or a representative of another Member.

- (1b) *(New, adopted on November 14, 2017, amended December 11, 2019)* If for any reason a position in the Board of Directors becomes vacant and the holding of an election for a new member is envisaged at a forthcoming **General Assembly**, the Board of Directors, acting through its President (and in the case of the President's absence - through its Vice President or Chief Executive Officer) shall send to all Members of the Chamber a notification proposing the nomination of candidates for membership in the Board of Directors ("**Notice of Upcoming Election**"). The Notice of Upcoming Election shall be sent to all Members of the **Chamber** together with the invitation for convening the corresponding **General Assembly**, as provided for in Article X, Section (B), Paragraph (3), whereas it shall be received not later than 60 (sixty) days prior to the planned date of the **General Assembly** ("**Election Date**"). The Notice of Upcoming Election shall contain: (i) the number of vacant positions on the Board of Directors; (ii) the deadline for submission of nominations set in accordance with Paragraph (1c) below.
- (1c) *(New, adopted on November 14, 2017)* After receiving the Notice of Upcoming Election, each Member of the Chamber shall be entitled to decide on participating in the election, prepare the documents required and the information provided for in Paragraph (1d) below, and submit a nomination for the corresponding vacant position not later than 45 (forty-five) days before the Election Date. After expiry of the deadline under the preceding sentence, no nominations shall be accepted, and any nominations submitted after that moment shall not be included in the list of nominations under paragraph (1e) below.
- (1d) *(New, adopted on November 14, 2017)* Each nomination shall be addressed to the Board of Directors and shall be either delivered in person or sent by registered mail or via e mail. Each nomination shall contain at least the following information: (i) identification details of the Member of the Chamber submitting the nomination; (ii) identification details of the nominated candidate; (iii) indication of the position for which the candidate is nominated - as a representative of a USA-controlled

company or institution or as a representative of a company or institution not controlled by USA persons or, respectively, as a physical person; (iv) an up-to-date curriculum vitae of the candidate concerned, containing information regarding his/her education, professional experience, awards and achievements, experience as a member of management bodies, management experience, management bodies in which the candidate occupies certain positions at the time of nomination.

(1e) *(New, adopted on November 14, 2017)* After expiry of the deadline for submission of nominations under Paragraph (1c) above and not later than 40 (forty) days prior to the Election Date, the Chamber shall compile a list of all candidates duly nominated within the deadline and in accordance with the procedure above. Within the deadline under the preceding sentence, the list of applicants shall be published on the website of the **Chamber** and sent to all Members by registered mail, together with an invitation the Members to vote for the candidates included in the list. After sending the list of candidates in accordance with the preceding sentence, but in any case not later than 30 (thirty) days prior to the Election Date, the **Chamber** shall organize a public hearing of the candidates included in the list before the Members of the **Chamber**. At this hearing the candidates can present their application, program and management ideas. Information regarding the time and venue of the public hearing of the candidates shall be made available to the Members together with the information under the second sentence of this Paragraph (1e) and in the manner provided for therein.

(1f) *(New, adopted on November 14, 2017, amended on July 9, 2020)* After the public hearing of the candidates under the preceding Paragraph, each Member of the **Chamber** shall have the right to vote for a candidate included in the list under Paragraph (1e) above not later than 15 (fifteen) days prior to the Election Date. Each Member of the **Chamber** shall have the right to cast one vote per each candidate for as many candidates as are the vacant positions in the Board of Directors for which election is held. Votes shall be cast by a physical person - Member of the **Chamber** or by a Legal Representative of the respective Member of the **Chamber** via a signed written statement, addressed to the Board of Directors. In case the statement referred to in the preceding sentence is signed by a proxy, the power of attorney shall be express and with a notary certification of the grantor's signature. The signed written statement, together with the power of attorney, if any, shall be submitted to the Chamber within the

deadline set in the first sentence of this Paragraph (1f) in one of the following manners: (i) in original by delivery in person or via registered mail, or (ii) as a scanned copy sent via e-mail, in which case the respective Member of the **Chamber** shall ensure the submission of an original written statement to the **Chamber** not later than the Election Date. The **Chamber** shall keep the votes cast by each Member confidential and shall not disclose their content to another Member of the **Chamber** or to third parties.

(1g) *(New, adopted on November 14, 2017, amended on December 11, 2019 and July 9, 2020)*

After expiry of the deadline for submission of nominations under Paragraph (1f) above and not later than 10 (ten) days prior to the Election Date, the Nomination Committee shall count the votes cast and draw up a list of the persons who have collected the highest numbers of votes. In the event that the vacant position in the Board of Directors for which the election is held is only one, the list shall contain only the candidate who has collected the highest number of votes. In the event that the positions on the Board of Directors are more than one, the number of individuals on the list shall be equal to the number of vacant positions on the Board of Directors. When preparing the list under the preceding sentence the Nomination Committee shall be obliged to ensure compliance with the requirements of this Statutes, including but not limited to Paragraph (1), Paragraph (1a) and Paragraph (2) of this Article X, Section (C). For the avoidance of doubt, until the minimum number of members of the Board of Directors, representing USA-controlled companies or institutions, is reached, the list under the first sentence shall include first the individuals who have received the highest number of votes among the candidates satisfying the requirements of Article X, Section (C), Paragraph (1), sentences (4) and (5). After the minimum number of members of the Board of Directors representing USA-controlled companies or institutions is completed, the remaining persons in the list under the first sentence shall include the persons who have received the highest number of votes among all candidates. The Nomination Committee shall have the right to disqualify candidates who do not satisfy the requirements of these Statutes.

(1h) *(New, adopted on November 14, 2017)* In the event that as a result of the voting under Paragraph (1f) above two or more individuals have collected equal number of votes and election is held for a single position on the Board of Directors, or the number of positions on the Board of Directors remaining to be completed is less than the

number of individuals who have collected an equal number of votes, the list under Paragraph (1g) shall include the individual who is a USA person or is a representative of a USA-controlled company or institution. In the event that among the individuals who have collected an equal number of votes there is more than one USA person or a representative of a USA-controlled company or institution, or none of the individuals is a USA person or a representative of a USA-controlled company or institution, all individuals who have collected an equal number of votes shall be included in a separate list.

- (1i) *(New, adopted on November 14, 2017)* Within the deadline under the first sentence of Paragraph (1g) above, the **Chamber** shall send the list under Paragraph (1g) and the list under Paragraph (1h) (if any) to all Members via registered mail. The individuals included in the lists shall be proposed to the General Meeting to be elected as members of the Board of Directors. In the case of paragraph (1h) above, when a separate list of candidates having collected an equal number of votes for a single position, has been prepared, the **General Assembly** shall vote for each individual separately. The individual who receives the highest number of votes in this casting of votes shall be included in the general list under Paragraph (1g). In the event that the vacant positions on the Board of Directors are more than one and the list under Paragraph (1g) contains the corresponding number of persons (including after having been complemented in accordance with the previous sentence), the **General Assembly** shall vote for the individuals en bloc.
- (1j) *(New, adopted on November 14, 2017)* The election of new members to the Board of Directors based on the lists referred to in the previous paragraphs shall be carried out by open casting of votes by raising a hand.
- (2) *(Amended on December 11, 1997, November 28, 2001, June 16, 2005, June 23, 2010 and November 14, 2017)* Each Member of the Board of Directors shall be appointed for a term of twenty four (24) months unless otherwise expressly provided for in these Statutes. No Member shall be entitled to serve more than two consecutive full terms on the Board of Directors. As an exception, a member of the Board of Directors could be elected for a third consecutive term of twenty four (24) months provided that such an election is taken with 2/3 (two-thirds) majority of the present Members on the meeting of the **General Assembly**.
- (3) *(Amended on December 11, 1997, November 28, 2001, June 16, 2005, June 23, 2010 and November 14, 2017)* Members retired from the Board of Directors

and/or Related Persons can be re-elected (respectively elected with respect to the Related Person) not earlier than the expiry of twenty four (24) months from the end of the last mandate of the respective member of the Board of Directors. The individuals who's term of office at the Board was terminated pursuant to Article X, Section (C), Paragraph (6a) can be elected as Members of the Board of Directors without the passage of a certain intermediate term being necessary, subject to the other provisions of the Statutes and in particular, subject to Article X, Section (C), Paragraph (1a) and Paragraph (2). The Members of the Board of Directors may tender their written resignation at any time. The declaration of resignation is to be addressed to the Board of Directors, in care of the President.

- (4) *(Amended on December 11, 1997, June 16, 2005 and November 14, 2017)* When the position of a Member of the Board of Directors becomes vacant before his or her term expires, the newly elected member shall be elected with a term of office equal to the remainder of the term of office of the member in whose place he/she has been elected. In the event that an election is held simultaneously for more than one vacant positions on the Board of Directors, for which the original full terms expire at a different time, the length of the partial terms of office of the newly elected members shall be allocated according to the number of votes received by the respective members in the vote under Paragraph (1f) above - the newly elected member with more votes shall take the position in the Board of Directors with the longer remaining term. The rule under the preceding sentence shall apply respectively depending on the number of the vacant positions in the Board of Directors and the newly elected members.
- (4a) *(New, adopted on November 14, 2017)* For the avoidance of doubt, a partial term of office of a newly elected member according to the preceding Paragraph (4) shall not be taken into account for the purposes of restricting the maximum number of full terms of office under Paragraph (2), sentences (2) and (3) of this Article.
- (4b) *(New, adopted on November 14, 2017)* For the avoidance of doubt, if a member of the Board of Directors terminates his/her term of office upon his/her own initiative in accordance with Article X, Section (C), Paragraph (3), last sentence, such term of office shall be taken into account for the purposes of restricting the maximum number of full terms of office under Paragraph (2), sentences (2) and (3) of this Article.

- (5) *(Amended on November 28, 2001 and December 11, 2019)* The Board of Directors may establish its own business procedures. Meetings of the Board of Directors shall be called once per quarter or with such frequency as the Board of Directors deems appropriate. The meetings shall be called by the President of the Chamber, or in case of the President's absence, by a Vice President or the Chief Executive Officer. Notice of meetings shall be given at least fourteen days prior to the meeting unless it concerns urgent matters. Meetings shall be called within seven days at the written request of at least one third of the Members of the Board of Directors. If, in the last case, the President of the Chamber fails to summon the meeting within seven days as of the receipt of the written request, each of the interested Board members is entitled to summon the meeting of the Board of Directors.
- (6) Board members shall cease to hold office in any one of the following circumstances:
- (a) Their term of office expires;
 - (b) *(Amended on November 28, 2001)* They or the legal entities represented by them cease to be Members of the **Chamber**;
 - (c) They are removed from office by a simple majority of votes of the Members present at a General Assembly.
- (6a) *(New, adopted on June 23, 2010)* In addition to the grounds for termination of their office, under Article X, Section (C), Paragraph (6), Members of the Board of Directors shall cease to hold office in any one of the following circumstances:
- (a) *(Amended on November 14, 2017)* They cease to be a Representative of the Member that they represented when they were elected as Members of the Board of Directors and if, as soon as possible, but in any case not later than 6 months as of the date when they have ceased to be a Representative of the Member that they represented when they were elected as Members of the Board of Directors, they do not become a Member - physical person or a representative of another Member, the term of office shall be terminated with immediate effect after expiry of the above specified 6-months term;
 - (b) *(Amended on November 14, 2017)* They cease to be a Representative of the Member that they represented

when they were elected as Members of the Board of Directors and they become a Representative of another Member that already has, directly or through a Related Person, another Representative serving as a Member of the Board of Directors (with reference to Article X, Section (C), Paragraph (1a)), with immediate effect;

- (c) *(Amended on November 14, 2017)* They cease to be a Representative of the Member that they represented when they were elected as Members of the Board of Directors and they become a Representative of another Member that does not have, directly or through a Related Person, another Representative serving as a Member of the Board of Directors, with effect as of the next meeting of the General Assembly.
 - (d) *(New, adopted on July 9, 2020)* They fall under a category of person for which a restriction has been imposed under Article X, Section (C), para. (1), sentence (3) above, and namely - (a) a person who occupies the position of legal representative or member of management bodies of other non-profit legal entities engaged in activity which is similar or competing to the activity of the Chamber, or (b) a politically exposed persons, or (c) a close relative of a person under item (a) and/or (b), with immediate effect.
- (6b) *(New, adopted on July 9, 2020)* In the event that the term of office of a member of the Board of Directors shall have expired (but not in case of any other grounds for termination of the office as a member of Board of Directors provided for by law or in these By-Laws) and only if the Chamber is not able to carry out a procedure for election of new members of the Board of Directors due to compelling circumstances which are outside the Chamber's control (including, without limitation, declaration of state of emergency in the country, imposition of restrictive measures by state authority prohibiting the holding of a General Assembly, etc.), said member whose term of office has expired shall continue to perform his/her functions and obligation as a member of the Board of Directors until the election of a new member by the General Assembly.
- (7) *(amended December 11, 2019 and July 9, 2020)* Responsibilities of the Board of Directors include:

- (a) appointment and release from office of the Chief Executive Officer, determination of financial limitation upon his/her representative powers, and determination of his/her remuneration (if any);
 - (b) Determination of salaries and remuneration of all **Chamber** employees;
 - (c) Review and approval of the annual report at the end of each fiscal year;
 - (d) Selection of Auditors;
 - (e) Oversight and policy decisions with respect to the programs sponsored by the **Chamber**;
 - (f) Determination of the amount of membership and other fees;
 - (g) Setting forth the procedures and amounts for check and note signing authority;
 - (h) *(Amended on November 28, 2001)* Organisation and management of the activities of the **Chamber**;
 - (i) *(New, adopted on November 28 2001)* Disposal of the **Chamber's** property in compliance with the requirements of these Statutes;
 - (j) *(New, adopted on November 28 2001)* Performance of a liquidation procedure with regard to the **Chamber** or designation of another person for liquidator;
 - (k) *(New, adopted on July 9, 2020)* Adoption and amendment of a Code of Conduct for Board Of Directors Candidates;
 - (l) *(New, adopted on November 28 2001)* Determination of all matters not reserved to other organs of the **Chamber**.
- (8) *(Amended on November 28, 2001, January 30, 2007 and December 11, 2019)* The Board of Directors has achieved a quorum if at least one half of its Members are present. All questions, not otherwise provided for in these Statutes, shall be decided by a simple majority of votes of those present if a quorum is achieved. The resolutions regarding the issues specified in Article X, Section C, Paragraph (7), Subparagraphs (h), (i) and (j) shall be taken with the unanimous vote of all members of the Board of Directors. The resolution on admitting of a new member of the Chamber shall be taken by a 2/3 majority of all members of the Board of Directors.

- (9) *(New, adopted on November 28 2001)* A member of the Board of Directors shall be considered present if there is a real time telephone or other similar connection between such a member and the other members of the Board of Directors provided that such a connection guarantees the identification of such a member and allows him/her to participate in the discussions and in the passing of the resolutions. The President or the Vice President of the Chamber shall certify the voting pursuant to the foregoing sentence in the minutes of proceedings.
- (10) *(New, adopted on November 28, 2001)* The Board of Directors may pass valid resolutions *in absentio* if the minutes containing the respective resolution were signed without any objections by all members of the Board of Directors.
- (11) *(New, adopted on June 24, 2008)* In the event that a Board Member does not attend in person four meetings of the Board of Directors within each twelve months period of his/her mandate the Board of Directors may resolve to offer to the General Assembly the respective Board Member to be removed from office in compliance with Article X, Section C, Paragraph (6) hereof.

D. STANDING COMMITTEES

- (1) Standing Committees will be established by the Board of Directors and be headed by a Chairperson.
- (2) Committee Members shall be selected by the respective Committee Chairperson.
- (3) Each Committee shall meet with such frequency as such Committee shall consider appropriate. Committee meetings shall be called by such Committee's Chairperson. A simple majority of Committee Members shall constitute a quorum. Questions shall be decided by majority vote of Committee Members present if a quorum is achieved.
- (4) Vacancies shall be filled by the Committee Chairperson.
- (5) The Committees shall examine and make reports upon the projects assigned to them and those which they may originate. Such reports shall be presented to the Board of Directors.

E. SPECIAL COMMITTEES

- (1) Special Committees may be appointed by the President with the approval of the Board of Directors and will be headed by a Chairperson.
- (2) Committee Members shall be selected by the respective Committee Chairperson.
- (3) Each Committee shall meet with such frequency as such Committee shall consider appropriate. Committee meetings shall be called by such Committee's Chairperson. A simple majority of Committee Members shall constitute a quorum. Questions shall be decided by majority vote of Committee members present if a quorum is achieved.
- (4) Vacancies shall be filled by the Committee Chairperson.
- (5) The Committees shall examine and make reports upon the projects assigned to them and those which they may originate. Such reports shall be presented to the Board of Directors.

F. (New, adopted on July 9, 2020) NOMINATION COMMITTEE

- (1) The Nomination Committee shall be composed of (i) all members of the Board of Directors whose term of office has not been terminated from time to time and whose seat at the Board of Directors are not subject to the relevant elections for new members of the Board of Directors, as well as (ii) the Commercial Attaché with the US Embassy in the Republic of Bulgaria.
- (2) The functions of the Nomination Committee shall be associated with a review of the nominations for members of the Board of Directors and preparation of the lists of candidates in accordance with Article X, Section (C), para. (1g) and para. (1h). For this purpose, the Nomination Committee shall be entitled to evaluate the validity of the submitted nominations and to disqualify from participation any candidates who do not meet the requirements set forth under these By-Laws, including without limitation:
 - (i) carry out an assessment of whether or not a candidate who has stated that he/she has the capacity of USA person or of a legal representative of a company or institution controlled by USA person actually has such capacity in accordance with the requirements of these By-Laws, and whether or not such candidate has provided sufficient evidence to this effect;

- (ii) carry out an assessment of whether or not a circumstance which under these By-Laws or the law constitutes an impediment for election to the Board of Directors (including, without limitation, whether or not a respective candidate falls under any of the categories listed in Article X, Section (C), para. (1) with respect to which a prohibition for election to the Board of Directors is established) applies with respect to a relevant candidate;
- (iii) carry out an assessment of whether or not a respective candidate meets the requirements of the Code of Conduct for Board of Directors Candidates adopted by the Board of Directors from time to time.

(3) The sessions of the Nomination Committee shall be held on a date and at a place determined upon mutual consent of the committee's members. A quorum shall be present if the majority of the members of the Nomination Committee determined in accordance with para. (1) are attending. The resolutions of the Nomination Committee shall be passed with the affirmative vote of the majority of the members attending the session (always subject to the presence of quorum).

(4) The sessions of the Nomination Committee shall be recorded in written minutes which shall be signed by all attending members.

G. PRESIDENT

(1) *(Amended on November 14, 2017)* The President shall be elected by the Board of Directors from among its members. Upon election the Board of Directors shall give priority to the possibility a person who is a representative of a company or institution headquartered in the USA to be elected for President. For the purposes of this Article X, Section (F) a "company or institution headquartered in the USA" shall be a company or institution which ultimate/beneficial owner (direct or indirect) is incorporated, registered and operates under the laws of the USA and its seat and registered address is in the USA.

(2) The President shall exercise supervision over the affairs and interests of the **Chamber** and represent the **Chamber** in external relations. The President shall preside at all meetings of the Board of Directors and the General Assembly of the **Chamber**. The President shall, with the approval of the Board of Directors, appoint advisors, staff, and Chairpersons of all Standing and Special Committees.

H. FIRST VICE PRESIDENT AND SECOND VICE PRESIDENT

(Title amended on January 24, 2006)

- (1) *(Amended on January 24, 2006 and July 9, 2020)* The First Vice President and the Second Vice President shall be elected by the Board of Directors from among its members. Upon election the Board of Directors shall give priority to the possibility a person who is a representative of a company or institution headquartered in the USA to be elected for First Vice President and Second Vice President, as defined under Article X, Section (G), para. (1).
- (2) *(Amended on January 24, 2006)* The First Vice President, in the absence of the President, shall have the same powers, authority and duties as the President. In the absence of both the President and the First Vice President, the Second Vice President shall have the same powers, authority and duties as the President.

I. TREASURER

- (1) *(Amended on July 9, 2020)* The Treasurer shall be elected by the Board of Directors from among its members. Upon election the Board of Directors shall give priority to the possibility a person who is a representative of a company or institution headquartered in the USA to be elected for Treasurer, as defined under Article X, Section (G), para. (1).
- (2) The Treasurer shall have charge of the monies received by the **Chamber**.
- (3) The Treasurer shall attend to the keeping of correct accounts in lawful form. The Treasurer shall present semi-annual financial reports to the Board of Directors. The accounts shall be audited by the Auditors recommended by the Board of Directors and approved by the General Assembly. The Treasurer shall deliver to the successor Treasurer the monies of the **Chamber** and all books of account of the **Chamber**.

J. COMMITTEE CHAIRPERSONS

- (1) Committee Chairpersons shall be appointed by the President and approved by the Board of Directors.
- (2) Committee Chairpersons shall exercise supervision over the activities of the Committees which they chair. Committee Chairpersons shall call meetings and preside at all such meetings of the Committees which they chair.

Committee Chairpersons shall present the Committee reports, as described in Article X, Section D(5) and Section E(5) of these Statutes, to the Board of Directors.

K. (new, December 11, 2019) CHIEF EXECUTIVE OFFICER

- (1) The Chief Executive Officer shall be elected by the Board of Directors from among individuals who are not members of the Board of Directors.
- (2) The Chief Executive Officer shall be elected for an indefinite term and shall occupy his/her position until his/her term of office is terminated. The term of office of the Chief Executive Officer shall terminate:
 - (a) in the event of death or restriction of his/her legal capacity; or
 - (b) unilaterally by the Chamber and pursuant to a resolution of the Board of Directors - effective as of the date specified in the relevant resolution; or
 - (c) unilaterally by the Chief Executive Officer through an advance written notice served to the Board of Directors not less than 60 days prior to the contemplated termination date; or
 - (d) upon mutual consent of the Chamber (acting through a legal representative thereof) and the Chief Executive Officer expressed in writing - effective as of the date specified in the respective agreement between the Chamber and the Chief Executive Officer.
- (3) The Chief Executive Officer shall act as a legal representative of the Chamber on record with the register of non-profit legal entities kept by the Registration Agency and shall be responsible for the overall daily operations of the Chamber and the practical aspects of achieving the Chamber's goals and activities. The Board of Directors may impose financial limitations upon the representative powers of the Chief Executive Officer in the dealings with third parties. Limitations under the foregoing sentence (if any) shall be reflected in written minutes of resolutions of the Board of Directors and may be registered with the register of non-profit legal entities kept by the Registration Agency. The Chief Executive Officer shall also substitute the President if the latter is absent and he/she cannot be substituted by

a Vice President. The Chief Executive Officer shall appoint the administrative staff of the Chamber in accordance with Article XII below.

- (4) The Chief Executive Officer shall be entitled to participate in the meetings and the operations of the Board of Directors with advisory functions. The attendance, respectively the absence of the Chief Executive Officer shall not be taken into account when determining the quorum of the meetings of the Board of Directors, and the Chief Executive Officer's advisory function with respect to a particular matter shall not be taken calculated for the purposes of forming a majority vote for a particular resolution of the Board of Directors.
- (5) At the end of each quarter the Chief Executive Officer shall prepare and present to the President a report on his/her activities and the activities of the Chamber's staff during said quarter.
- (6) The Chief Executive Officer shall keep a complete record of the proceedings of the General Assembly of the Chamber and of the Board of Directors, including, without limitation, the Chief Executive Officer shall ensure the counting of votes and the drafting of minutes for the proceedings of the General Assembly of the Chamber and of the Board of Directors. The Chief Executive Officer shall be responsible for the correspondence of the Chamber and coordination of Chamber's programs.

ARTICLE XI
INTERNAL ARBITRATION COMMITTEE

- (1) All disputes arising from organizational, membership or other internal relations of the Chamber shall be decided by a three Member Internal Arbitration Committee. Each one of the disputing parties shall appoint a Member of the **Chamber** as Arbiter. The two Arbiters so appointed shall elect a third Member of the Chamber as a Chairing Arbiter. If the two appointed Arbiters cannot agree on the Chairing Arbiter within fourteen days, the latter is appointed by the President.
- (2) The Internal Arbitration Committee shall decide with a simple majority of votes. The decision of the Internal Arbitration Committee shall be final and binding and shall not be subject to appeal. The Internal Arbitration Committee shall proceed in accordance with the

provisions of the Commercial Arbitration Rules of the American Arbitration Association.

- (3) The Arbiters shall be reimbursed for their expenses only.

ARTICLE XII
EMPLOYEES

(amended December 11, 2019) The **Chamber** shall employ staff as the need arises. Positions shall be created and related salaries shall be determined by the Board of Directors. Employee positions shall be filled according to need and corresponding qualifications, based on appointment by the President or by the Chief Executive Officer and approval by the Board of Directors. The **Chamber** is an equal opportunity employer and does not discriminate in its hiring practices against any employee or application for employment because of race, color, religion, sex, national origin, age or handicap.

ARTICLE XIII
AUDITORS

The Auditors shall be selected by the Board of Directors and approved by the General Assembly for a term of one year. The Auditors shall examine the accounts of the **Chamber**, audit the **Chamber's** financial statements and shall report in writing to the Board of Directors and the General Assembly.

ARTICLE XIV
FISCAL YEAR

The **Chamber's** fiscal year shall begin on the first day of January and shall end on the thirty-first day of December.

ARTICLE XV
REPRESENTATION

- (1) *(amended December 11, 2019)* The **Chamber** shall be represented in its relations with third parties severally by the President, a Vice President, the Treasurer or the Chief Executive Officer (subject to the financial restrictions upon the representative powers of the latter, if any are imposed in accordance with these By-Laws).

- (2) *(amended December 11, 2019)* Effective only in the internal relations, a Vice President shall represent the **Chamber** only in the President's absence, the Treasurer shall represent the **Chamber** only in the President's and Vice President's absence, and the Chief Executive Officer shall represent the **Chamber** only in the President's, the Vice President's and the Treasurer's absence.

ARTICLE XVI
DISSOLUTION OF THE CHAMBER AND LIQUIDATION
(Title amended on November 28, 2001)

- (1) The voluntary dissolution of the **Chamber** can be decided by the General Assembly by a two thirds vote of the Members present.
- (2) Following General Assembly decision for dissolution, relevant authorities in **Bulgaria** and the US Chamber of Commerce shall be notified within seven days.
- (3) *(New, adopted on November 28, 2001)* In case of dissolution of the **Chamber**, it should undergo a liquidation procedure.
- (4) *(New, adopted on November 28, 2001)* The liquidation shall be carried out by the Board of Directors of the **Chamber** or by a person, designated by the Board of Directors.
- (5) *(New, adopted on November 28, 2001)* The General Assembly shall resolve on the distribution of the property that is left after the satisfaction of the creditors in accordance with these Statutes and the laws of Bulgaria.

ARTICLE XVII
AMENDMENTS

Any proposed amendments to these Statutes shall be made by a resolution, proposed by the Board of Directors or at least 10 per cent of the Members, and passed at a General Assembly by a two thirds vote of the Members present. Notice of any proposed amendments shall be sent to each Member along with an invitation to the General Assembly. If such notice is not sent, the amendment shall be voted at a future General Assembly after proper notice has been provided.

ARTICLE XVIII
TERM OF INITIAL BOARD OF DIRECTORS

(Amended on December 11, 1997 and June 16, 2005) The initial Board of Directors as selected by the Forming Members and consistent with procedures for the selection of Board of Directors as outlined Article X, Section C, will have an initial term of service as follows: 1/2 of the Board, or 6 members will serve a term of twelve (12) months; another 1/2 will serve the regular term of eighteen (18) months. All subsequent terms of office shall be for twenty four (24) months as outlined in Article X, Section C.

TRANSITIONAL ARTICLE

(New, November 14, 2017)

- (1) (New, adopted on November 14, 2017) Subject to the provisions regarding the term of office of the Board of Directors, contained in Article X, Section (C), the first General Assembly to be held after the amendments to the Statutes adopted on November 14, 2017 are registered in the register of non-for-profit legal entities, shall release from office all members of the Board of Directors and elect new ones, whereas the members of the newly elected Board of Directors shall have the following terms of office: half of the members shall be elected for a term of 24 months and half of the members shall be elected for a term of 36 months. The terms of office of different durations under the previous sentence shall be allocated depending on the number of votes receives by the members concerned in the casting of votes under Article X, Section (C), Paragraph (1f) above - a newly elected member with more votes shall take a position in the Board of Directors with a longer duration of the term of office (36 months) until half of all positions are filled, and the remaining newly elected members shall take positions until the total number of positions in the Board of Directors with a shorter duration of the term of office (24 months) are filled. The terms of office of all subsequent members shall have a duration of 24 months in accordance with Article X, Section (C).
- (2) (New, adopted on November 14, 2017) For the avoidance of doubt, the provisions of Article X, Section (C) regarding the maximum number of consecutive full terms of office shall apply to individuals who prior to or at the time of the first **General Assembly** to be held after the amendments to the Statutes adopted on November 14, 2017 are registered in the register of non-for-profit legal entities, were or are members of the Board of Directors, and the full terms of office held thereby until that

date shall be taken into account for the purposes of the restrictions, unless otherwise implied by the provisions of these Statutes.

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end.

Olivier Marquette

President of the American Chamber of Commerce in Bulgaria